



**WIAB 06-00**

**DATE:** November 20, 2000  
**TO:** All Local Workforce Investment Areas  
**FROM:** Cheryl A. Brush, Chief, Workforce Systems Bureau  
**SUBJECT:** WIA State Program Funds

During the Portland Conference, USDOL presented new instructions for the treatment and tracking of WIA State reserve funds allocated to local areas. In Idaho, this would impact funds allocated to local areas for Youth-in-Need, Youth Mentoring, and Older Workers from the 15% set aside as well as supplemental Dislocated Worker funds from the 25% Rapid Response pool. While there will be no changes in the amount of state reserve funds allocated to an area, there will be changes in the way these funds are treated.

The new guidelines for State reserve funds require that they retain their identity as State funds and be reported as such rather than treating them as local funds. Therefore, no funds are available for a 90/10 split between program and administration. The only exception to this would be if the state elected to allocate funds directly to the areas rather than reserve them; however, these were all originally awarded after first being reserved by the state from either State "Program" funds or the "Rapid Response" pool, so that exception does not apply.

We recognize that problems will be created because of the late notice of these new reporting requirements. Therefore, we have attempted to develop processes for meeting the requirements that will not unduly burden the system and will attempt to address individual problems where necessary. The following strategies are for State Program funds allocated to the local Areas.

#### **1) OLDER WORKER PROGRAM**

Allocations for the Older Worker Program will be converted to State Program funds. Adjustments to your administrative cost pool will be required to convert funds budgeted for local administration to program. If your Older Worker service providers require administrative funds to operate their projects, requests will be considered for State Administrative funds. If administrative funds are awarded, we will decrease the amount of program funds available by a similar amount. No other changes are required for Older Worker funds as they have been given separate cost codes and can be tracked for proper reporting. If you elect to retain a portion of Older Worker funds for the WIB budget rather than passing them directly to the service provider, you will need to notify us of the amount and track these funds as a separate line item.

**Action Requested:** WIB staff are requested to check with service providers of Older Worker programs to determine if additional State administrative resources are required to operate existing programs, and provide that request to us. In addition, if you elect to retain a portion of the older worker funds for your

WIB budgets, you will need to determine the amount of these funds for budget and reporting purposes and notify us of the amount.

## **2) YOUTH MENTORING AND “YOUTH IN-NEED”**

Allocations for Youth Mentoring and “Youth In-Need” will be converted to program funds only.

**Action Requested:** Adjustments will be required to convert funds budgeted for local administration to program. Because these funds did not have separate cost codes in the Youth funding stream, for this year, we will consider these expenditures as “first-in, first-out” for reporting purposes. New account codes will be developed at the State level to identify these projects for this year.

## **3) DISLOCATED WORKER**

All supplemental allocations made for dislocated worker activities will be considered as Rapid Response funds until the State’s 25% Rapid Response budget is depleted. Once the State’s Rapid Response budgets are exceeded, additional funding will be allocated from State Program dollars and will not include funds for administration. (Because we have already exceeded our RR availability, approximately \$62,000 of the supplemental allocation is coming from the State Program pool.) Rapid Response funds do not have cost categories and may be used for general services for dislocated worker activities, including related WIB planning and management activities that would normally be charged to “program” or “administration”. As a reminder, it is the State’s policy to recapture annually all unexpended DW supplemental funding.

### **Action Requested:**

**Budget:** WIB staff will need to review their WIB/LEO budget to determine the amount of Rapid Response funds needed to support oversight and management activities related to expenditure of these funds. Once identified, these funds will be added to the \$15,000 RR that was originally allocated.

**Local WIB Charges:** Local administrative costs associated with the Dislocated Worker program should be charged to the administrative pool until the original Dislocated Worker Base funds have been exhausted. Similarly local program costs should be charged to the Dislocated Worker program line item until funds are exhausted. Once the Base funds are exhausted, all general services for dislocated worker activities (both admin and program costs) may be charged to the Rapid Response line item. The amount of RR funds charged should reflect their allocable or proportionate share of expenditures within the Area.

**Service Provider Charges:** Service providers will continue to use existing cost codes for staff and participant expenditures. Once Base expenditures have been exceeded within the Area, accounting adjustments will be made at the State level to move charges to Rapid Response or to State Program, as appropriate, for reporting purposes.

## **4) CONTINUOUS IMPROVEMENT AWARDS**

These awards will be issued after the first of the calendar year with separate account codes for reporting purposes. These will be tracked separately and will also be only from the program account.

### **ADDITIONAL INFORMATION**

- To assist you in reworking your budgets, we will provide you with worksheets we are using to track allocations made to each area. The worksheets will also include our latest estimate for JTPA carry-in for the Youth and Adult programs.
- We are requesting that you provide us your revised WIB/LEO budget requirements from the Older Worker and Rapid Response allocations along with requests for State Administration for Older Worker providers **by December 8, 2000.**
- Once received, we will issue new NOAs for the funds, along with final JTPA carry-in.
- After the new NOAs are released, Regions will need to submit new budgets for State Program funds on a separate WIA Budget Plan to show breakouts of Youth Mentoring, Youth-in-Need, Older Worker and Dislocated Worker funds for those Regions (Regions II thru VI) that received the second round of supplemental allocations.
- A WIA Budget Plan will also be needed for all Rapid Response funds. WIA Budget Plans for Local funds for Adults, Youth, and Dislocated Workers will include only the PY 2000 NOA and JTPA carry-in.

For questions, please contact Bruce Harrold or Cheryl Brush.